



Los Angeles County Department of Regional Planning

Planning for the Challenges Ahead



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Director

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TO: David W. Louie, Chair
Elvin W. Moon, Vice Chair
Doug Smith, Commissioner
Laura Shell, Commissioner
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FROM: Connie Chung, Supervising Regional Planner
General Plan Development and Housing Section

**DENSITY BONUS ORDINANCE UPDATE – PROJECT NO. 2018-000572 – ADVANCE
PLANNING CASE NOS. RPPL2018000900, RPPL2018000901 – REGIONAL
PLANNING COMMISSION MEETING: AUGUST 15, 2018 – AGENDA ITEM: 7**

This item is a proposed update to the Density Bonus Ordinance, which implements the State Density Bonus Law and creates local regulations to promote affordable and senior citizen housing. The Draft Ordinance also restructures affordable and senior citizen housing provisions for ease of use, deletes obsolete provisions, amends existing references for internal consistency, and revises fees.

I. Background

Under the State Density Bonus Law, local jurisdictions must grant a density bonus to housing developments of five or more units if they include a specified percentage of affordable or senior citizen housing. The State law also requires that local jurisdictions provide incentives and waivers of development standards to support the development of density bonus projects.

Following significant changes to the State Density Bonus Law in 2005, the County adopted the Density Bonus Ordinance and created the Housing Permit to implement the ordinance and monitor compliance with affordability requirements. In 2015, the Board of Supervisors (Board) directed DRP to update the Density Bonus Ordinance. The Board directed DRP to establish allowances for extremely low-income households, and to make other changes to strengthen the effectiveness of the existing ordinance.

Between 2005 and the end of 2017, the Department of Regional Planning (DRP) reported a total of 2,390 units under the Density Bonus Program. These include 1,686 affordable units, 474 market-rate senior citizen units, and units with no age or income restriction.

II. Summary of Draft Ordinance

Existing County Ordinance

Major elements of the State Density Bonus Law are reflected in the County's existing Density Bonus Ordinance, and are maintained in the Draft Ordinance:

- Affordable Housing or Senior Citizen Housing: Applicants may request one type of density bonus based on the percentage of income-restricted units in the project. Another type of density bonus is based on the percentage of units to be occupied by senior citizens in a market-rate project.
- Minimum number of units: An affordable housing project must contain at least five units to be eligible for a density bonus. A senior citizen housing project must contain at least 35 dwelling units, unless it is an age-restricted mobilehome park.
- Set-asides and bonuses: The percentage of affordable units required and the corresponding bonuses are specified according to income level (very low, lower, and moderate). Market-rate senior citizen housing is eligible for a 20% density bonus with an administrative review in accordance with State law.
- Incentives and waivers from development standards: Density bonus projects may use incentives and waivers of development standards, provided that findings are met. The number of incentives for which a project is eligible depends on the percentage and income level of affordable units set aside. Market-rate senior citizen housing is also eligible for waivers from development standards.
- Parking: Required parking spaces for density bonus projects are set by State law and are based on the number of bedrooms per unit.

Recent Changes to State Density Bonus Law

The Draft Ordinance also includes specific provisions to implement the following recent changes to the State Density Bonus Law:

- Incentives must result in identifiable and actual cost reductions to provide for affordable housing costs or affordable rents for the targeted units (AB 2501, Bloom).
- Reduced parking requirements for density bonus projects within a ½ mile of transit (AB 744, Chau).

- One-to-one replacement of existing rental units that currently house very low or lower income households or those units that are demolished or vacated in the five-year period before a density bonus project application is submitted (AB 2222, AB 2556, Nazarian).
- Duration of affordability of 55 years for very low and lower income rental units (AB 2222, Nazarian).
- Requirement for for-sale affordable units to be subject to equity sharing with the County rather than resale restrictions (AB 2222, Nazarian).
- Technical changes, such as rounding fractional units for all density bonus calculations up to the nearest whole number, and clarifying that an applicant may request a lesser density bonus than what is provided by State law or no density bonus (AB 2501, Bloom).

Local County Policies

In addition, the Draft Ordinance includes the following local policies designed to further incentivize and streamline the review of density bonus projects:

- An extremely low income affordability category, with its own set-aside requirements, corresponding density bonuses, and three incentives.
- No parking requirement for extremely low income units.
- A density bonus for a rental or a single-family residential development with a moderate income housing set-aside.
- Clarifications on using additional density bonuses as an incentive: Projects utilizing these provisions would be reviewed administratively, subject to findings, if they meet the criteria for an exemption from the California Environmental Quality Act (CEQA). These criteria typically include some combination of public transit proximity, a limit on the number of units, and the completion of a preliminary environmental analysis. If a density bonus project seeking to utilize the above provisions does not meet the criteria for a CEQA exemption and the required findings for ministerial review, the project will be subject to discretionary review.
- Amendments in commercial zones and Mixed Use Zone: The Draft Ordinance also amends the existing Mixed Use Ordinance (2009), which permits certain mixed use projects in commercial zones with an administrative review. The Draft

Ordinance extends those benefits to density bonus projects by allowing mixed use and joint live-work developments in the Mixed Use Zone and various commercial zones to modify development standards through an administrative review. Modifications of development standards for mixed use and joint live-work projects in these zones would otherwise require a conditional use permit.

Also, in certain commercial zones, the Draft Ordinance allows administrative review of apartment projects with an affordable set-aside that meet the criteria for a CEQA exemption. If a density bonus project seeking to utilize this provision does not meet the criteria for a CEQA exemption and the required findings for ministerial review, the project will be subject to discretionary review.

- Updates to fees and monitoring: The Draft Ordinance provides an exemption from planning fees for 100% affordable housing projects, and reduced planning fees for other affordable housing projects, based on the number of affordable units set aside. The Draft Ordinance also contains updated fees for monitoring income-restricted units, as well as basic requirements for the covenant and agreements to enable enforcement and ensure 55 years duration of all rental age- and income-restricted units.
- Other clean-up: The Draft Ordinance simplifies the review of incentives to consistency with findings provided by the State, replacing the current “menu” of specific incentives that applicants may request. Also, the Draft Ordinance eliminates the expiration date for an Administrative Housing Permit not associated with a discretionary entitlement. Finally, the Draft Ordinance revises the existing ordinance with edits for consistency with the Title 22 Technical Update and other non-policy changes.

A comparison of provisions in the State Density Bonus Law and the County’s draft Density Bonus Ordinance Update is provided in Attachment A. The County’s proposed review processes for affordable and senior citizen housing are summarized in Attachments B and C, respectively.

III. Notification and Stakeholder Outreach

Outreach for the Draft Ordinance included meetings on DRP housing initiatives with community groups from the following unincorporated areas: Santa Monica Mountains; Antelope Valley; West Chatsworth; Twin Lakes; Kagel Canyon; La Crescenta-Montrose; East Pasadena-East San Gabriel; Florence-Firestone; West Athens-Westmont; Willowbrook; Lennox; East Los Angeles; West Puente Valley; Avocado Heights; and Hacienda Heights. The Department mailed postcards to over 75,000 property owners, provided an additional 1,600 postcards to community groups for distribution, and sent

emails to a housing policy courtesy list comprised of hundreds of stakeholders. DRP staff also reached out to developers and affordable housing advocates for additional input. Finally, DRP worked closely with CDC staff to update fees, and monitoring and enforcement provisions for affordability and age restrictions.

The Department noticed the RPC hearing in 12 local newspapers of countywide distribution, including the Spanish-language newspaper *La Opinión*. In addition, the Department made copies of the hearing materials available at all County libraries.

IV. Environmental Determination

Staff concludes that a Negative Declaration is the appropriate environmental documentation under CEQA and the County environmental analysis guidelines. The Initial Study concluded that there is no evidence that the project may have a significant impact on the environment.

The Initial Study and Negative Declaration (Attachment H) was provided to responsible public agencies and the public for the required review period. Notification was provided per the tribal consultation requirements of the State Public Resources Code.

V. Suggested Motion

I MOVE THAT THE REGIONAL PLANNING COMMISSION CLOSE THE PUBLIC HEARING, ADOPT THE NEGATIVE DECLARATION PURSUANT TO STATE AND LOCAL CEQA GUIDELINES, ADOPT THE RESOLUTION RECOMMENDING ADOPTION OF THE DRAFT ORDINANCE BY THE BOARD OF SUPERVISORS, AND FORWARD THE DRAFT ORDINANCE TO THE BOARD OF SUPERVISORS FOR CONSIDERATION IN A PUBLIC HEARING.

If you need further information, please contact Ayala Scott, Heather Anderson, or Tina Fung in the General Plan and Housing Section, at (213) 974-6417 or housing@planning.lacounty.gov.

MC:CC:AS:ems

Enclosure(s):

- A. Comparison of State Density Bonus Law (highlights) and Draft Density Bonus Ordinance
- B. Affordable Housing Flowchart

- C. Senior Citizen Housing Flowchart
- D. California Government Code Section 65915
- E. Draft Density Bonus Ordinance
- F. Draft Resolution
- G. Correspondence To Date
- H. CEQA Initial Study and Negative Declaration
- I. Notice of Public Hearing and Notice of Intent to Adopt a Negative Declaration